

Message Text

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PAGE 01 SEOUL 01015 041026Z

ACTION EA-09

INFO OCT-01 EB-08 NEA-10 ISO-00 PASS-00 /028 W

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FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 1930

INFO USDOC WASHDC

AMEMBASSY JIDDA

UNCLAS SEOUL 1015

E.O. 11652: N/A

TAGS: BEXP, BBAK, KS

TO: MR. OSCAR PAULSON, AREA ADMINISTRATOR

MORRISON-KNUDSEN INTERNATIONAL CO.

P.O. BOX 7808

BOISE, IDAHO

TEL: (208) 345-5000

TELEX: 368439 OR 368435 EMKAYAN BSE

REF: YOUR TELEX OF FEBRUARY 3

1. COMMERCIAL ATTACHE HAS RECEIVED YOUR TELEX CONCERNING PARTICIPATION, WITH U.S. CORPS OF ENGINEERS, IN NEGOTIATION OF CONTRACT FOR CONSTRUCTION AND MANAGEMENT OF KING KHALID MILITARY CITY PROJECT IN SAUDI ARABIA. PRELIMINARY ANSWERS TO YOUR SEVERAL QUESTIONS CONCERNING RECRUITMENT OF KOREAN LABOR FOR THIS VERY IMPORTANT MULTI-BILLION DOLLAR PROJECT ARE GIVEN BELOW.

2. KOREAN GOVERNMENT DOES REGULATE FLOW OF LABOR FROM KOREA BUT HAS HISTORICALLY ENCOURAGED SUCH FLOWS WHERE OVERSEAS EMPLOYMENT ADDS TO NET FOREIGN EXCHANGE RECEIPTS AND OTHERWISE FITS IN WITH KOREAN INTERNATIONAL POLITICAL AND ECONOMIC AIMS. AS YOU NO DOUBT KNOW, KOREAN ENGINEERS, TECHN-
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CIANS, AND SKILLED LABORERS HAVE ALREADY ESTABLISHED EXCELLENT RECORD IN MIDDLE EASTERN PROJECTS FOR THEIR HARD AND EFFECTIVE WORK.

3. THE ONLY KOREAN GOVERNMENT-RUN ORGANIZATION ESTABLISHED TO PROVIDE OVERSEAS EMPLOYMENT OF KOREAN NATIONALS, AND CONSEQUENTLY THE ORGANIZATION WITH WHICH YOU SHOULD MAKE

DIRECT CONTACT, IS THE KOREA OVERSEAS DEVELOPMENT CORPORATION (KODCO). ITS FULL ADDRESS FOR MAILING AND TELEX COMMUNICATION IS AS FOLLOWS:

DR. SUH IM-SOO, PRESIDENT
KOREA OVERSEAS DEVELOPMENT CORPORATION
CPO BOX 2545, SEOUL 100, KOREA
CABLE ADDRESS: MANPOWER
TELEX NO.: KODCO K28505
TEL: 34-6921/5 OR 33-9416

4. EMBASSY IS FORWARDING TO YOU DIRECTLY BY AIR MAIL DESCRIPTIVE PROMOTIONAL LITERATURE PUT OUT BY KODCO TOGETHER WITH A SAMPLE BLANK AGREEMENT FOR PROVISION OF KOREAN LABOR OVERSEAS AND A TABLE OF CURRENT WAGES FOR A WIDE RANGE OF SKILLED LABOR AND TECHNICIANS THROUGH KODCO.

5. KODCO WAS ESTABLISHED IN 1965 UNDER SPECIAL KOREAN LAW FOR EMIGRATION AND OVERSEAS EMPLOYMENT OF KOREAN NATIONALS, HAS A PAID-IN CAPITAL OF \$2 MILLION, AND A STAFF OF OVER 200 IN TEN KOREAN BRANCH OFFICES AND SIX OVERSEAS BRANCHES.

6. FOR YOUR IMMEDIATE INFORMATION, WE GIVE BELOW THE KODCO WAGE RATES (WHICH MUST BE NET AFTER PAYMENT OF ANY APPLICABLE TAXES) FOR THE LABOR CATEGORIES MENTIONED IN YOUR TELEX:

CLASSIFICATION WAGE PER MONTH (US\$)

LABORER 400 - 450

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COOK 500 - 600
CLERICAL 600 - 700
ACCOUNTANT 700 - 800
CARPENTER 500 - 600
PLUMBER 550 - 650
ELECTRICIAN 600 - 700
MOTOR VEHICLE MECH-
ANIC 600 - 750
MECHANIC FOR HEAVY
EQUIPMENT 700 - 800
HEAVY EQUIPMENT
OPERATOR 600 - 750

8. KODCO SPECIFIES WAGES ARE FOR 48 HOUR WEEK AND THAT COSTS OF MEDICAL CARE AND INSURANCE, AS WELL AS AIR FARE, BOARD AND LODGING ARE TO BE BORNE BY OVERSEAS EMPLOYER IN ADDITION TO ABOVE NET WAGES. EMPLOYEES ALSO MUST BE GIVEN MINIMUM OF TWELVE DAYS ANNUAL LEAVE AND TWELVE DAYS SICK LEAVE PER YEAR. KODCO STATES THAT ITS FEE FOR PROVISION OF

OVERSEAS LABOR IS \$175 TO \$200 PER EMPLOYEE, BUT ADDS THAT
IN CASE OF CONTRACT FOR CONSIDERABLE NUMBER OF EMPLOYEES PER
CAPITA CHARGES MAY BE REDUCED.

9. EMBASSY OFFICER HAS PERSONALLY SPOKEN WITH MANAGING DIRECTOR
OF KODCO REGARDING MORRISON-KNUDSEN INTERESTS STATED YOUR
TELEX AND HAS BEEN ASSURED THAT KODCO, IF APPROACHED DIRECTLY
BY M-K WILL RESPOND AT ONCE AND IS INTERESTED IN PROVIDING
PERSONNEL REQUIRED. MANAGING DIRECTOR CLAIMS HE HAS "ABUNDANT
SUPPLY" REGISTERED AND QUALIFIED APPLICANTS FOR OVERSEAS
POSITIONS.

10. EMBASSY GLAD TO HAVE BEEN OF HELP TO MORRISON-KNUDSEN
IN IMPORTANT KHALID MILITARY CITY PROJECT AND WILL WELCOME ANY
FURTHER COMMUNICATION FROM M-K CONCERNING THIS OR OTHER
PROJECTS. REGARDS, BRYANT

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AMERICAN EMBASSY
SEOUL, KOREA
SNEIDER

NOTE BY OC/T: PASSED ABOVE ADDRESSEE.

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Message Attributes

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